

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Financial Report

Year Ended June 30, 2012

TABLE OF CONTENTS

| | Page |
|--|-------|
| Independent Auditors' Report | 1-2 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net assets | 5 |
| Statement of activities | 6 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Fund description - governmental fund | 8 |
| Balance sheet - governmental fund | 9 |
| Reconciliation of the governmental fund balance sheet to the statement of net assets | 10 |
| Statement of revenues, expenditures, and changes in fund balance- governmental fund | 11 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balance of the governmental fund to the statement of activities | 12 |
| Fund descriptions - fiduciary funds | 13 |
| Statement of fiduciary assets and liabilities - agency funds | 14 |
| Notes to basic financial statements | 15-32 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| General Fund: | |
| Budgetary comparison schedule | 34 |
| Budgetary comparison schedule - revenues | 35 |
| Budgetary comparison schedule - expenditures | 36-37 |
| Schedule of funding progress | 38 |
| OTHER SUPPLEMENTARY INFORMATION | |
| Affidavit | 40 |
| INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with <i>Government Auditing Standards</i> | 42-43 |
| Schedule of prior and current year findings and management's corrective action plan | 44-45 |

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Penny Angelle Scruggins, CPA
Christine L. Cousin, CPA
Wanda F. Arcement, CPA,CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Daulzal, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Tynes E. Mixon, Jr., CPA 2011

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

INDEPENDENT AUDITORS' REPORT

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddill St.
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

The Honorable Michael Tregre
St. John the Baptist Parish Sheriff
LaPlace, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Sheriff, as of and for the year ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. John the Baptist Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Sheriff, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2012, on our consideration of the St. John the Baptist Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the schedule of funding progress on pages 34 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. John the Baptist Parish Sheriff's financial statements as a whole. The accompanying affidavit is presented as mandated by the Louisiana Legislative Auditor and is not a required part of the financial statements. This information has not been subjected to auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

The St. John the Baptist Parish Sheriff has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 5, 2012

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Net Assets
June 30, 2012

ASSETS

| | |
|------------------------------------|-------------------|
| Current assets: | |
| Cash and interest-bearing deposits | \$ 3,755,617 |
| Accrued interest receivable | 103 |
| Due from other governmental units | 809,568 |
| Inventory | 137,976 |
| Prepaid items | <u>215,253</u> |
| Total current assets | <u>4,918,517</u> |
| Noncurrent assets: | |
| Capital assets, net | <u>7,120,274</u> |
| Total noncurrent assets | <u>7,120,274</u> |
| Total assets | <u>12,038,791</u> |

LIABILITIES

| | |
|---|-------------------|
| Current liabilities: | |
| Accounts payable | 504,810 |
| Accrued expenses | 806,406 |
| Claims payable | 246,034 |
| Due to others | 73,011 |
| Compensated absences payable | 342,869 |
| Capital lease payable | 220,391 |
| Other post employment benefits (OPEB) payable | <u>337,800</u> |
| Total current liabilities | <u>2,531,321</u> |
| Noncurrent liabilities: | |
| Capital lease payable | 230,991 |
| Other post employment benefits (OPEB) payable | <u>10,210,746</u> |
| Total noncurrent liabilities | <u>10,441,737</u> |
| Total liabilities | <u>12,973,058</u> |

NET ASSETS

| | |
|---|---------------------|
| Invested in capital assets, net of related debt | 6,668,892 |
| Unrestricted (deficit) | <u>(7,603,159)</u> |
| Total net assets (deficit) | <u>\$ (934,267)</u> |

The accompanying notes are an integral part of the basic financial statements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Activities
For the Year Ended June 30, 2012

Expenses:

Public safety:

| | |
|--|-------------------|
| Personal services and related benefits | \$ 16,491,596 |
| Operating services | 4,401,725 |
| Operations and maintenance | 4,958,353 |
| Travel | 145 |
| Interest expense | <u>55,039</u> |
| Total expenses | <u>25,906,858</u> |

Program revenues:

| | |
|------------------------------------|------------------|
| Fines, forfeitures, and other fees | 3,564,920 |
| Operating grants and contributions | <u>395,375</u> |
| Total program revenues | <u>3,960,295</u> |

Net program expense (21,946,563)

General revenues:

| | |
|---|-------------------|
| Property taxes, levied for general purposes | 12,157,317 |
| Sales taxes | 2,151,539 |
| State sources | 2,138,340 |
| Interest and investment earnings | 12,237 |
| Miscellaneous | <u>650,694</u> |
| Total general revenues | <u>17,110,127</u> |

Change in net assets (4,836,436)

Beginning net assets 3,902,169

Ending net assets (deficit) \$ (934,267)

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS - GOVERNMENTAL FUND

MAJOR FUND

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Balance Sheet - Governmental Fund
General Fund
June 30, 2012

ASSETS

| | |
|--|---------------------|
| Cash and interest-bearing deposits | \$ 3,755,617 |
| Accrued interest receivable | 103 |
| Due from other governmental units and others | 809,568 |
| Inventory | 137,976 |
| Prepaid items | 215,253 |
| Total assets | <u>\$ 4,918,517</u> |

LIABILITIES AND FUND EQUITY

| | |
|------------------------------------|---------------------|
| Liabilities: | |
| Accounts payable | \$ 504,810 |
| Accrued expenses | 806,406 |
| Claims payable | 246,034 |
| Due to others | 73,011 |
| Total liabilities | <u>1,630,261</u> |
| Fund balances - | |
| Nonspendable | 353,229 |
| Restricted | - |
| Committed | - |
| Assigned | - |
| Unassigned | 2,935,027 |
| Total fund balance | <u>3,288,256</u> |
| Total liabilities and fund balance | <u>\$ 4,918,517</u> |

The accompanying notes are an integral part of the basic financial statements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2012

| | | | |
|--|--|-------------------|---------------------|
| Total fund balance for the governmental fund at June 30, 2012 | | | \$ 3,288,256 |
| Total net assets reported for governmental activities in the statement of net assets is different because: | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | | |
| Land | | \$ 158,500 | |
| Buildings and improvements, net of \$1,612,527 accumulated depreciation | | 3,368,359 | |
| Radios, equipment and vehicles, net of \$7,473,007 accumulated depreciation | | <u>3,593,415</u> | 7,120,274 |
| General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is: | | | |
| Compensated absences payable | | \$ 342,869 | |
| Capital lease payable | | 451,382 | |
| Other post employment benefits payable | | <u>10,548,546</u> | <u>(11,342,797)</u> |
| Total net assets (deficit) of governmental activities at June 30, 2012 | | | \$ <u>(934,267)</u> |

The accompanying notes are an integral part of the basic financial statements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
For the Year Ended June 30, 2012

| | |
|---|---------------------|
| Revenues: | |
| Taxes | \$ 14,308,856 |
| Intergovernmental | 2,533,715 |
| Fees, charges, and commissions for services | 3,564,920 |
| Interest income | 12,237 |
| Miscellaneous | <u>651,863</u> |
| Total revenues | <u>21,071,591</u> |
| Expenditures: | |
| Current - | |
| Public safety: | |
| Personal services and related benefits | 12,997,891 |
| Operating services | 4,401,725 |
| Operations and maintenance | 3,755,231 |
| Travel | 145 |
| Capital outlay | 933,693 |
| Debt service - | |
| Principal | 1,410,277 |
| Interest and fiscal charges | <u>34,947</u> |
| Total expenditures | <u>23,533,909</u> |
| Deficiency of revenues over expenditures | (2,462,318) |
| Other financing source: | |
| Proceeds from revenue anticipation note | <u>1,200,000</u> |
| Total other financing source | <u>1,200,000</u> |
| Net change in fund balance | (1,262,318) |
| Fund balance, beginning | <u>4,550,574</u> |
| Fund balance, ending | <u>\$ 3,288,256</u> |

The accompanying notes are an integral part of the basic financial statements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

*Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2012*

Total net change in fund balance at June 30, 2012 per
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (1,262,318)

The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

| | | |
|--|--------------------|-----------|
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances | \$ 933,693 | |
| Depreciation expense for the year ended June 30, 2012 | <u>(1,188,972)</u> | (255,279) |

The statement of net assets presents capital assets under a different
capitalization policy than capital outlays presented in the statement of
revenues, expenditures, and changes in fund balance. (20,092)

Because governmental funds do not record fixed assets and accumulated
depreciation, any assets disposed of affect the statement of revenues,
expenditures, and changes in fund balance only with respect to the selling
price. However, in the statement of activities, a gain or loss is shown
on assets that are not fully depreciated, net of selling price. (15,319)

Increase in net OPEB obligation at June 30, 2012 (3,542,545)

The issuance of long-term debt (e.g. bonds) provides current financial
resources to governmental funds, while the repayment of principal of long-
term debt consumes the current financial resources of governmental funds.
Neither transaction, however, has any effect on net assets.
Principal payments on capital lease 210,277

Some expenses reported in the Statement of Activities do not require the use
of current financial resources and therefore are not reported as expenditures
in governmental funds:

| | | |
|--|--|---------------|
| Decrease in accrued compensated absences payable | | <u>48,840</u> |
|--|--|---------------|

Total change in net assets at June 30, 2012 per Statement of Activities \$ (4,836,436)

The accompanying notes are an integral part of the basic financial statements.

FUND DESCRIPTIONS - FIDUCIARY FUNDS

AGENCY FUNDS

All of these funds are reflected in the totals of the agency funds presented in the statement of fiduciary net assets.

Civil Fund

The Civil Fund was established to account for funds held in connection with civil suits, Sheriff's sales, and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund

The Tax Collector Fund was established per Article V, Section 27 of the Louisiana Constitution of 1974, which provides that the sheriff will serve as the collector of state and parish taxes and fees. The Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Prison Inmate Fund

The Prison Inmate Fund is used to account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Bond Fund

The Bond Fund is used to account for the collection of bonds, fines, and costs and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Community Relations Fund

The Community Relations Fund is used to account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2012

| | |
|---------------------------|--------------------|
| Assets | |
| Cash and cash equivalents | <u>\$1,720,377</u> |
| Liabilities | |
| Held for inmates | 61,327 |
| Held for taxing bodies | <u>1,659,050</u> |
| Total liabilities | <u>\$1,720,377</u> |

The accompanying notes are an integral part of the basic financial statements.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the parish, the Sheriff is responsible for enforcing state and local laws, ordinances, et cetera, within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols, investigations, et cetera, and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, and fines, costs, and bond forfeitures imposed by the district court.

The accompanying financial statements of the St. John the Baptist Parish Sheriff (Sheriff) have been prepared in conformity with generally accepted accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The accounting and reporting policies of the Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

For financial reporting purposes, the Sheriff includes all funds, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, and other independently elected parish officials are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. The Sheriff has no business-type activities.

The statement of activities presents a comparison between program revenues of the Sheriff and the cost of the function. Program revenues are derived directly from Sheriff users as a fee for services. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. Indirect expenses are allocated proportionately among the various functions. Internal activity is eliminated.

Fund Financial Statements

The accounts of the Sheriff are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The only fund of the Sheriff (besides fiduciary funds) is classified as governmental. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Sheriff or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

One fund of the Sheriff is considered to be a major fund and is described below:

General Fund

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the Sheriff's office and accounts for and reports all operations of the Sheriff's office not accounted for and reported in another fund. The Sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include one fourth (1/4) cent sales tax, state revenue sharing, state supplemental pay for deputies, civil and criminal fees, and fees for court attendance and maintenance of prisoners. General operating expenditures are paid from this fund.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

The following funds are nonmajor funds:

Agency Funds

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The individual agency funds used by the Sheriff for the year ended June 30, 2012 are as follows:

Civil Fund – To account for funds held in connection with civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws.

Tax Collector Fund – Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund is used to collect and distribute these taxes and fees to the appropriate taxing bodies.

Prison Inmate Fund – To account for the deposits made by, and for, inmates to their individual accounts and the appropriate disbursements to these inmates.

Bond Fund – To account for the collection of bonds, fines, and costs and payment of these collections to the sheriff's General Fund and other recipients in accordance with applicable laws.

Community Relations Fund – To account for private donations used for scholarships and other activities of the high school students in the community that participate in the Parish Area Students Systematically Eliminating Drugs Program.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide statement of net assets and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the current financial resources measurement focus is used. Only current financial assets and liabilities are generally included on their

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. For revenue recognition as it relates to federal awards, available means collectible within 18 months of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Sheriff.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment for building, improvements and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are not capitalized as they relate to fixed assets. The Sheriff's threshold for capitalization is \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|----------------------------|-------------|
| Buildings and improvements | 20-40 years |
| Equipment and vehicles | 3-10 years |

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

All long-term debt to be repaid from governmental funds is reported as liabilities in the government-wide statements. The long-term debt consists of capital lease payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt is reported as other financing sources and payment of principal and interest reported as expenditures.

Compensated Absences

Employees of the Sheriff's office who are employed from zero to 6 years are eligible to receive 6 to 12 days of vacation leave each year. In addition to receiving the 6 to 12 days of vacation leave for each year, employees can earn an additional 8 bonus hours of vacation leave for each year of employment in excess of 6 years. Also, employees can earn from 6 to 9 days of sick leave each year. Vacation and sick leave in excess of 21 and 20 days, respectively, is forfeited on June 30 of each year. Vacation leave (up to 21 days of carryover plus amounts earned in current year plus any

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

additional bonus hours) earned by employees is paid upon retirement or termination. Sick leave earned by employees accumulates as noted above, but does not vest, and is forfeited upon retirement or termination.

At June 30, 2012, the Sheriff has accumulated and vested \$342,869 in vacation leave privileges required to be accrued in accordance with GASB Codification Section C60. In the government-wide statements, amounts of accumulated or vested vacation that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Sheriff has no restricted net assets.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Sheriff’s office. The Sheriff is the highest level of decision-making authority for the Sheriff’s office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Sheriff.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Sheriff's adopted policy, only the Sheriff may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of June 30, 2012, fund balances are composed of the following:

| | <u>General Fund</u> |
|---------------------|-------------------------|
| Nonspendable: | |
| Inventories | \$ 137,976 |
| Prepaid items | 215,253 |
| Restricted | - |
| Committed | - |
| Assigned | - |
| Unassigned | <u>2,935,027</u> |
| Total fund balances | <u>\$ 3,288,256</u> |

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Sheriff considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Sheriff considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Sheriff has provided otherwise in its commitment or assignment actions.

E. Budget and Budgetary Accounting

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The chief administrative deputy prepares a proposed budget and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Sheriff. Such amendments were not material in relation to the original appropriations.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012 are recorded as prepaid items. Prepaid items that existed at June 30, 2012 were prepaid insurance.

G. Inventory

The inventory is stated at cost, which is determined by the first-in, first-out method.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Sheriff may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2012, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$5,475,994 of which \$1,720,377 is attributable to fiduciary funds, which is not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. The Sheriff does not have a policy for custodial credit risk, however, under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2012, are secured as follows:

| | |
|--|---------------------|
| Bank balances | <u>\$ 5,776,451</u> |
| Insured | \$ 689,865 |
| Uninsured and collateral held by pledging bank not in Sheriff's name | <u>5,086,586</u> |
| Total | <u>\$ 5,776,451</u> |

(3) Ad Valorem Taxes

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the parish government in June and are actually billed to the taxpayers by the Sheriff in October. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. John the Baptist Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2012, law enforcement taxes applicable to the Sheriff's General Fund, were levied at the rate of 32.99 mills on property with assessed valuations totaling \$366,226,144.

Total law enforcement taxes levied during 2012 were \$12,179,546. Taxes receivable in the General Fund at June 30, 2012, were \$0.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(4) Due From Other Governmental Units and Others

Amounts due from other governmental units and others at June 30, 2012, consist of the following:

| | |
|----------------------------|-----------------------|
| Maintenance of prisoners | \$ 222,418 |
| Federal and state grants | 86,774 |
| Reimbursement for salaries | 116,760 |
| Commissions on video poker | 105,323 |
| Commissary, etc. | 82,326 |
| Sales tax revenue | <u>195,967</u> |
| Total | <u>\$ 809,568</u> |

(5) Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

| | <u>Balance</u> <u>7/1/2011</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6/30/2012</u> |
|---|-----------------------------------|--------------------|---------------------|------------------------------------|
| Governmental activities: | | | | |
| Assets not being depreciated: | | | | |
| Land | \$ 158,500 | \$ - | \$ - | \$ 158,500 |
| Construction in progress | 725,884 | - | (725,884) | - |
| Assets being depreciated: | | | | |
| Building | 4,000,197 | 980,689 | - | 4,980,886 |
| Radios (capital lease) | 1,886,823 | - | - | 1,886,823 |
| Equipment and vehicles | <u>8,718,509</u> | <u>658,796</u> | <u>(197,706)</u> | <u>9,179,599</u> |
| Totals | <u>15,489,913</u> | <u>1,639,485</u> | <u>(923,590)</u> | <u>16,205,808</u> |
| Less accumulated depreciation | | | | |
| Building | (1,483,861) | (128,666) | - | (1,612,527) |
| Radios (capital lease) | (1,147,817) | (188,682) | - | (1,336,499) |
| Equipment and vehicles | <u>(5,447,271)</u> | <u>(871,624)</u> | <u>182,387</u> | <u>(6,136,508)</u> |
| Total accumulated depreciation | <u>(8,078,949)</u> | <u>(1,188,972)</u> | <u>182,387</u> | <u>(9,085,534)</u> |
| Governmental activities, capital assets, net | <u>\$ 7,410,964</u> | <u>\$ 450,513</u> | <u>\$ (741,203)</u> | <u>\$ 7,120,274</u> |

Depreciation expense of \$1,188,972 was charged to the public safety function.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(6) Pension Plans

Plan Description: The St. John the Baptist Parish Sheriff contributes to the Sheriffs' Pension and Relief Fund, a cost-sharing multiple employer defined benefit pension plan administered by the Sheriff's Pension and Relief Fund, a public corporation created in accordance with the provisions of Louisiana Revised Statute 11:2171 to provide retirement, disability and survivor benefits to sheriff and deputy sheriff members throughout the State of Louisiana. The Sheriffs' Pension and Relief Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Sheriffs' Pension and Relief Fund, P.O. Box 3163, Monroe, Louisiana 71210-3136.

Funding Policy: Plan members are required to contribute 10.0% of their annual covered salary and the St. John the Baptist Parish Sheriff is required to contribute at an actuarially determined rate. The rate was 12.5% of annual covered payroll. The contribution requirements of plan members and the St. John the Baptist Parish Sheriff are established and may be amended by the Sheriffs' Pension and Relief Fund. Beginning in July 2008, the Sheriff elected, as an additional benefit to employees, to begin paying one-half of the plan members' required contribution which equates to five percent. Effective August 2010, the Sheriff elected to increase the additional benefit to employees by paying eighty percent (80%) of the plan members' required contribution which equates to eight percent. The St. John the Baptist Parish Sheriff's contributions to the Retirement System for the years ended June 30, 2012, 2011 and 2010 were \$2,188,475, \$2,102,168, and \$1,747,982, respectively.

(7) Changes in Agency Fund Balances

A summary of changes in agency fund balances due to taxing bodies and others and due to prisoners follows:

| | Civil Fund | Tax Collector Fund | Prison Inmate Fund | Bond Fund | Community Relations Fund |
|-------------------------------|--------------------|--------------------------|--------------------------|---------------------|--------------------------------|
| Balances, June 30, 2011 | \$ 433,252 | \$ 248,556 | \$ 151,171 | \$ 1,989,258 | \$ 11,561 |
| Additions | 1,881,939 | 46,453,975 | 427,079 | 4,241,162 | 1,418 |
| Reductions | <u>(1,909,589)</u> | <u>(46,653,675)</u> | <u>(516,923)</u> | <u>(5,038,714)</u> | <u>(93)</u> |
| Balances, June 30, 2012 | <u>\$ 405,602</u> | <u>\$ 48,856</u> | <u>\$ 61,327</u> | <u>\$ 1,191,706</u> | <u>\$ 12,886</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(8) Long-Term Debt

The following is a summary of long-term debt transactions of the Sheriff for the year ended June 30, 2012:

| | Capital Lease | Compensated Absences |
|-------------------------------|------------------|-------------------------|
| Long-term debt, June 30, 2011 | \$ 661,659 | \$ 391,709 |
| Debt assumed | - | 333,186 |
| Debt retired | (210,277) | (382,026) |
| Long-term debt, June 30, 2012 | \$ 451,382 | \$ 342,869 |

Long term debt at June 30, 2012 is comprised of the following:

\$1,886,822 capital lease due in annual installments of \$242,103; interest rate of 4.81%; full maturity at June, 2014; proceeds used to purchase radio equipment

| | |
|-------|------------|
| Total | \$ 451,382 |
|-------|------------|

The annual requirements to amortize all debt outstanding at June 30, 2012 are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|------------------------|------------|-----------|------------|
| 2013 | \$ 220,391 | \$ 21,712 | \$ 242,103 |
| 2014 | 230,991 | 11,111 | 242,102 |
| Total | \$ 451,382 | \$ 32,823 | \$ 484,205 |

The general fund has historically funded the long-term debt. Total interest incurred for the year ended June 30, 2012 was \$31,826, all of which was expensed.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(9) Short-Term Debt

Short-term debt provides financing for governmental activities. In November 2011, the Sheriff issued a Revenue Anticipation Note in the amount of \$1,200,000. This debt was issued for interim financing of general fund operations. On January 29, 2012, the Sheriff repaid the note plus \$3,121 in interest at a rate of 1.51%.

The following is a summary of changes in short-term debt for the year ended June 30, 2012:

| | |
|--------------------------------|--------------------|
| Short-term debt, June 30, 2011 | \$ - |
| Debt assumed | 1,200,000 |
| Debt retired | <u>(1,200,000)</u> |
| Short-term debt, June 30, 2012 | <u>\$ -</u> |

(10) Lease Obligation

The Sheriff is currently entered into an operating lease agreement for the lease of office space. The agreement was entered into in September of 2008 for a four year term with monthly payments of \$875 and \$400 (lease has two components). The minimum lease payment remaining is as follows:

| | |
|-------------------------------|-----------------|
| Year Ending <u>June 30</u> | |
| 2013 | <u>\$ 2,550</u> |

Rental expense for the year ended June 30, 2012 was \$56,700.

(11) Risk Management

The Sheriff is exposed to risks of loss in the areas of health care, property hazards and workers' compensation. These risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year, nor have settlements exceeded coverage for the past three years.

Effective November 1, 1997, the Sheriff established a self-insurance plan, which is administered by Gallagher Basset Services, to account for and finance its risk of loss for auto and professional liability. The administrator calculates the estimated amount of the liability on each claim based on facts and circumstances of said claim. Under this plan, the Sheriff has a claims made policy with St. Paul Insurance Company. The Sheriff is liable for claims up to \$50,000 per covered employee or dependent. The aggregate annual maximum that the Sheriff is liable for is \$450,000. The amount of liability recorded at June 30, 2012 (for all open years) is \$246,034, which is presented as claims payable on the balance sheet. These claims have not been discounted.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

A reconciliation of changes in liabilities is as follows:

| | <u>Balance at Beginning of Fiscal Year</u> | <u>Claims and Changes in Estimates</u> | <u>Benefit Payments and Claims</u> | <u>Balance at Fiscal Year-End</u> |
|-----------|--|--|--|---|
| 2010-2011 | \$ 320,179 | \$ 279,433 | \$ (212,457) | \$ 387,155 |
| 2011-2012 | 387,155 | 200,035 | (341,156) | 246,034 |

(12) Commitments and Contingencies

At June 30, 2012, the Sheriff is involved in several lawsuits claiming damages. A liability of \$35,000 was accrued as it relates to one lawsuit. On all other lawsuits, management is of the opinion that insurance coverage should be adequate to cover any monetary damages and therefore, no liability has been accrued at June 30, 2012 as it relates to these lawsuits.

Also, the Sheriff is involved in an unasserted claim involving workers compensation. The claim is still in the early stages and as a result, management has been unable to determine if any liability exists in regards to this matter. Therefore, no liability has been accrued at June 30, 2012.

(13) Postretirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2010, the Sheriff recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Sheriff's future cash flows. Because the Sheriff is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2010 liability.

Plan Description: The Sheriff's office offers health care coverage to its eligible employees through a policy maintained with Coventry Health Care. Retired employees enjoy the same coverage as active employees. The plan is a single-employer defined benefit health care plan administered by the Sheriff. The Sheriff has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The Sheriff covers 100% of employee's premium and approximately 75% of premium for employee's family (spouse and/or children). Premiums for retired employees and their families are covered at the same percentages as active employees. The monthly premiums of these benefits for retirees and similar benefits for active employees paid by the employee was approximately 8%. The portion paid by the Sheriff was approximately 92%. The Sheriff recognizes the cost of providing these benefits (the Sheriff's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Annual OPEB Cost: The Sheriff's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Sheriff utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Sheriff's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Sheriff's net OPEB obligation:

| | |
|--|----------------------|
| Annual required contribution | \$ 4,120,579 |
| Interest on net OPEB obligation | 2,802 |
| Adjustment to annual required contribution | <u>(243,036)</u> |
| Annual OPEB cost (expense) | 3,880,345 |
| Contributions made | <u>(337,800)</u> |
| Increase in net OPEB obligation | 3,542,545 |
| Net OPEB obligation - beginning of year | <u>7,006,001</u> |
| Net OPEB obligation - end of year | <u>\$ 10,548,546</u> |

The Sheriff's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 is as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|-------------------------|------------------------|--|------------------------|
| 6/30/2010 | \$ 3,842,054 | 12.90% | \$ 3,347,337 |
| 6/30/2011 | 3,816,001 | 4.12% | 7,006,001 |
| 6/30/2012 | 3,880,345 | 8.71% | 10,548,546 |

Fiscal year 2010 was the year of implementation of GASB Statement No. 45 and the Sheriff has elected to implement prospectively. Therefore, three-year trend information is presented.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2012, was as follows:

| | |
|---|----------------------|
| Actuarial accrued liability (AAL) | \$ 33,928,363 |
| Actuarial valuation of plan assets | <u>-</u> |
| Unfunded actuarial accrued liability (UAAL) | <u>\$ 33,928,363</u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0% |
| Covered payroll (active plan members) | 9,787,995 |
| UAAL as a percentage of covered payroll | 347% |

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Sheriff's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2010 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.
2. The inflation rate is 2.5%.
3. The initial trend rate used in the calculations was 6.7%. The ultimate trend rate is 4.4%. The time period between the initial rate and the ultimate rate is seventy six years.

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

(14) Ex-officio Tax Collector

The amount of cash on hand at year-end was \$48,856. The amount of taxes collected by taxing authority was:

| | |
|---------------------------------|---------------|
| St. John Parish Government | \$ 10,603,470 |
| St. John Parish School Board | 14,482,483 |
| St. John Parish Assessor | 1,119,988 |
| St. John Parish Law Enforcement | 12,154,077 |
| St. John Parish Library | 3,662,067 |
| Lafourche Levee District | 17,480 |
| Pontchartrain Levee District | 1,279,283 |
| Louisiana Tax Commission | 4,156 |
| | \$43,323,004 |

The amount of taxes assessed and uncollected, and the reason for failure to do so is as follows:

| | LTC | | |
|---------------------------------|------------------|-------------------|---------------|
| | <u>Decreases</u> | <u>Bankruptcy</u> | <u>Unpaid</u> |
| St. John Parish Government | \$ 46,028 | \$ 3,777 | \$ 2,095 |
| St. John Parish School Board | 62,782 | 5,152 | 2,858 |
| St. John Parish Assessor | 4,855 | 398 | 221 |
| St. John Parish Law Enforcement | 52,688 | 4,324 | 2,399 |
| St. John Parish Library | 15,875 | 1,303 | 723 |
| Lafourche Levee District | 229 | - | - |
| Pontchartrain Levee District | 5,415 | 461 | 256 |
| | \$ 187,872 | \$ 15,415 | \$ 8,552 |

In addition, the Sheriff collected \$1,207,082 of occupational licenses fees and remitted \$1,026,020 to the St. John Parish Government and \$181,062 to the St. John Parish Sheriff's general fund.

(15) New Accounting Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) approved Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The statement specifically identifies and consolidates the accounting and financial reporting provisions that apply to state and local governments. In June 2011, the Governmental Accounting Standards Board (GASB) approved Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". The statement changes how governments will organize their statements of financial position (such as the current government-wide statement of net assets and the governmental funds balance sheet). Under this standard, financial statements will include deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities, and will report net position instead of net assets. The provisions of GASB Nos. 62 and 63 must be

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Notes to Basic Financial Statements (continued)

implemented by the St. John the Baptist Parish Sheriff for the year ending June 30, 2013. The effect of implementation on the St. John the Baptist Parish Sheriff's financial statements has not yet been determined.

(16) Subsequent Events

Subsequent events have been evaluated through October 5, 2012, the date of the financial statement issuance.

REQUIRED SUPPLEMENTARY INFORMATION

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Taxes | \$ 14,000,000 | \$ 14,305,000 | \$ 14,308,856 | \$ 3,856 |
| Intergovernmental | 2,715,000 | 2,528,000 | 2,533,715 | 5,715 |
| Fees, charges, and commissions for services | 3,936,000 | 3,691,000 | 3,564,920 | (126,080) |
| Interest Income | 20,000 | 10,000 | 12,237 | 2,237 |
| Miscellaneous | 494,000 | 522,500 | 651,863 | 129,363 |
| Total revenues | <u>21,165,000</u> | <u>21,056,500</u> | <u>21,071,591</u> | <u>15,091</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Personal services and related benefits | 12,729,348 | 12,586,398 | 12,997,891 | (411,493) |
| Operating services | 4,050,000 | 4,525,000 | 4,401,725 | 123,275 |
| Operations and maintenance | 3,609,500 | 3,942,500 | 3,755,231 | 187,269 |
| Travel | 6,000 | 1,000 | 145 | 855 |
| Debt service | | | | |
| Principal | - | 1,200,000 | 1,410,277 | (210,277) |
| Interest and fiscal charges | - | - | 34,947 | (34,947) |
| Capital outlay | <u>1,805,000</u> | <u>1,208,000</u> | <u>933,693</u> | <u>274,307</u> |
| Total expenditures | <u>22,199,848</u> | <u>23,462,898</u> | <u>23,533,909</u> | <u>(71,011)</u> |
| Deficiency of revenues over expenditures | (1,034,848) | (2,406,398) | (2,462,318) | (55,920) |
| Other financing sources: | | | | |
| Proceeds from revenue anticipation note | - | 1,200,000 | 1,200,000 | - |
| Total other financing sources | <u>-</u> | <u>1,200,000</u> | <u>1,200,000</u> | <u>-</u> |
| Net change in fund balance | (1,034,848) | (1,206,398) | (1,262,318) | (55,920) |
| Fund balance, beginning | <u>2,547,699</u> | <u>4,550,574</u> | <u>4,550,574</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,512,851</u> | <u>\$ 3,344,176</u> | <u>\$ 3,288,256</u> | <u>\$ (55,920)</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|---------------------|---------------------|---|
| Revenues: | | | | |
| Taxes: | | | | |
| Ad valorem | \$ 12,000,000 | \$12,175,000 | \$12,157,317 | \$ (17,683) |
| Sales tax | 2,000,000 | 2,130,000 | 2,151,539 | 21,539 |
| Total taxes | <u>14,000,000</u> | <u>14,305,000</u> | <u>14,308,856</u> | <u>3,856</u> |
| Intergovernmental: | | | | |
| Grants | 625,000 | 415,000 | 395,375 | (19,625) |
| State revenue sharing | 412,000 | 400,000 | 399,326 | (674) |
| State supplemental pay | 998,000 | 998,000 | 991,358 | (6,642) |
| Maintenance crews | 150,000 | 150,000 | 150,000 | - |
| Video poker | 530,000 | 565,000 | 597,656 | 32,656 |
| Total intergovernmental | <u>2,715,000</u> | <u>2,528,000</u> | <u>2,533,715</u> | <u>5,715</u> |
| Fees, charges, and commissions for services: | | | | |
| Civil and criminal fees | 1,375,000 | 1,372,000 | 1,354,614 | (17,386) |
| Court attendance | 16,000 | 14,000 | 12,875 | (1,125) |
| Prisoner transportation | 30,000 | 40,000 | 38,436 | (1,564) |
| Feeding and keeping prisoners | 1,830,000 | 1,340,000 | 1,312,666 | (27,334) |
| Inmate work program | 135,000 | 210,000 | 128,148 | (81,852) |
| Employment program | 550,000 | 715,000 | 718,181 | 3,181 |
| Total fees, charges, and commissions for services | <u>3,936,000</u> | <u>3,691,000</u> | <u>3,564,920</u> | <u>(126,080)</u> |
| Interest income | 20,000 | 10,000 | 12,237 | 2,237 |
| Miscellaneous | 494,000 | 522,500 | 651,863 | 129,363 |
| Total revenues | <u>\$ 21,165,000</u> | <u>\$21,056,500</u> | <u>\$21,071,591</u> | <u>\$ 15,091</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Current: | | | | |
| Public Safety | | | | |
| Personal services and related benefits: | | | | |
| Sheriff salary | \$ 142,348 | \$ 143,398 | \$ 142,910 | \$ 488 |
| Deputies' salaries | 10,200,000 | 10,100,000 | 10,423,350 | (323,350) |
| Other salaries | 60,000 | 41,000 | 41,161 | (161) |
| Pension and payroll taxes | 2,327,000 | 2,302,000 | 2,377,434 | (75,434) |
| Sheriff's expense allowance | - | - | 13,036 | (13,036) |
| Total personnel service and related benefits | <u>12,729,348</u> | <u>12,586,398</u> | <u>12,997,891</u> | <u>(411,493)</u> |
| Operating services: | | | | |
| Hospitalization insurance | 3,250,000 | 3,560,000 | 3,557,667 | 2,333 |
| Auto insurance | 600,000 | 640,000 | 620,133 | 19,867 |
| Other liability insurance | 200,000 | 325,000 | 223,925 | 101,075 |
| Total operating services | <u>4,050,000</u> | <u>4,525,000</u> | <u>4,401,725</u> | <u>123,275</u> |
| Operations and maintenance | | | | |
| Auto fuel and oil | 800,000 | 870,000 | 657,151 | 212,849 |
| Auto maintenance | 400,000 | 400,000 | 393,130 | 6,870 |
| Deputy uniforms, supplies, etc. | 320,000 | 328,000 | 321,038 | 6,962 |
| Office supplies and expenses | 225,000 | 220,000 | 259,769 | (39,769) |
| Computer maintenance and supplies | 315,000 | 420,000 | 405,202 | 14,798 |
| Litigation settlements | 60,000 | 20,000 | - | 20,000 |
| Telephone and utilities | 260,000 | 260,000 | 289,520 | (29,520) |
| Prisoner feeding and maintenance | 829,000 | 990,000 | 994,525 | (4,525) |
| Other professional fees | 100,000 | 125,000 | 82,690 | 42,310 |
| Criminal investigation expense | 101,500 | 126,500 | 127,140 | (640) |
| Leases | 60,000 | 60,000 | 56,700 | 3,300 |
| Other | 139,000 | 123,000 | 168,366 | (45,366) |
| Total operations and maintenance | <u>3,609,500</u> | <u>3,942,500</u> | <u>3,755,231</u> | <u>187,269</u> |

(continued)

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|-----------------------------|----------------------------|--------------------------|--------------------------|---|
| Travel | 6,000 | 1,000 | 145 | 855 |
| Debt service: | | | | |
| Principal | - | 1,200,000 | 1,410,277 | (210,277) |
| Interest and fiscal charges | - | - | 34,947 | (34,947) |
| Total debt service | <u>-</u> | <u>1,200,000</u> | <u>1,445,224</u> | <u>(245,224)</u> |
| Capital outlay: | | | | |
| Autos | 400,000 | 360,000 | 318,059 | 41,941 |
| Deputy and other equipment | 495,000 | 528,000 | 270,261 | 257,739 |
| Office equipment | 5,000 | - | 11,539 | (11,539) |
| Jail roof repair | 850,000 | 250,000 | 254,804 | (4,804) |
| Computer | <u>55,000</u> | <u>70,000</u> | <u>79,030</u> | <u>(9,030)</u> |
| Total capital outlay | <u>1,805,000</u> | <u>1,208,000</u> | <u>933,693</u> | <u>274,307</u> |
| Total expenditures | <u>\$ 22,199,848</u> | <u>\$ 23,462,898</u> | <u>\$ 23,533,909</u> | <u>\$ (71,011)</u> |

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2012

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liabilities (AAL) | Unfunded Actuarial Accrued Liabilities (UAAL) | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|--------------------|--|
| July 1, 2008 | - | 32,971,929 | 32,971,929 | 0.0% | 10,256,356 | 321% |
| July 1, 2010 | - | 33,928,363 | 33,928,363 | 0.0% | 9,125,478 | 372% |

OTHER SUPPLEMENTARY INFORMATION

STATE OF LOUISIANA, PARISH OF ST. JOHN THE BAPTIST

AFFIDAVIT

MICHAEL TREGRE, Sheriff of ST. JOHN THE BAPTIST PARISH SHERIFF

BEFORE ME, the undersigned authority, personally came and appeared, Michael Tregre, the sheriff of St. John the Baptist Parish, State of Louisiana, who after being duly sworn, deposed and said:

The following information is true and correct:

\$48,856 is the amount of cash on hand in the tax collector account on June 30, 2012;

He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2011 by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.



Signature
Sheriff of St. John the Baptist Parish

SWORN to and subscribed before me, Notary, this 17th day of August 2012, in my office in LaPlace, Louisiana.



(Signature)
Jeffrey Clement (Print), # 82747
Notary Public

(Commission)

Jeffrey Clement #82747
Ex-Officio Notary
St. John the Baptist Parish
Sheriff's Office

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Russell F. Champagne, CPA*
Victor R. Slaven, CPA*
P. Troy Courville, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*

Penny Angelle Scroggins, CPA
Christine L. Cousin, CPA
Wanda F. Arcement, CPA,CVA
Allen J. LaBry, CPA
Albert R. Leger, CPA,PFS,CSA*
Marshall W. Guidry, CPA
Stephen R. Moore, Jr., CPA,PFS,CFP®,ChFC®
James R. Roy, CPA
Robert J. Metz, CPA
Alan M. Taylor, CPA
Kelly M. Doucet, CPA
Cheryl L. Bartley, CPA
Mandy B. Self, CPA
Paul L. Delcambre, Jr., CPA
Kristin B. Dautat, CPA
Matthew E. Margaglio, CPA
Jane R. Hebert, CPA
Bryan K. Joubert, CPA
Stephen J. Anderson, CPA

Retired:
Conrad O. Chapman, CPA* 2006
Tynes E. Mixon, Jr., CPA 2011

* A Professional Accounting Corporation

P.O. Box 250
Breaux Bridge, LA 70517

Phone (337) 332-4020
Fax (337) 332-2867

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

OFFICES

183 South Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

450 East Main Street
New Iberia, LA 70560
Phone (337) 367-9204
Fax (337) 367-9208

113 East Bridge St.
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

1234 David Dr. Ste 203
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

1013 Main Street
Franklin, LA 70538
Phone (337) 828-0272
Fax (337) 828-0290

408 West Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

133 East Waddil St.
Marksville LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

332 West Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

621 Main Street
Pineville, LA 71360
Phone (318) 442-4421
Fax (318) 442-9833

WEB SITE
WWW.KCSRCPAS.COM

The Honorable Michael Tregre
St. John the Baptist Parish Sheriff
LaPlace, Louisiana

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Sheriff, as of and for the year ended June 30, 2012, which collectively comprise the Sheriff's basic financial statements and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the St. John the Baptist Parish Sheriff is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered St. John the Baptist Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Sheriff's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 12-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. John the Baptist Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of prior and current year findings and management's corrective action plan as item 12-2.

The St. John the Baptist Parish Sheriff's response to the findings identified in our audit are described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. We did not audit the Sheriff's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
October 5, 2012

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Schedule of Prior and Current Findings
and Management's Corrective Action Plan
For the Year Ended June 30, 2012

Prior Year Findings

Internal Control over Financial Reporting:

11-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 12-1.

11-2 Inadequate Controls over Bond Fund Subsidiary

Finding:

During a sample test of tickets, a discrepancy was noted. A ticket that should have been listed as outstanding (and part of the subsidiary) was not. Upon further inquiry and testing, it was noted that this particular ticket had been deleted from the computer database. This prompted further testing. Ultimately, there was approximately \$55,000 of tickets that were incorrectly deleted from the database. We suggest that controls be either strengthened or added to prevent this from occurring again.

Status:

Resolved.

Management Letter Items:

There are no management letter items at June 30, 2011.

Current Year Findings

Internal Control over Financial Reporting:

12-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Sheriff did not have adequate segregation of functions within the accounting system.

(continued)

ST. JOHN THE BAPTIST PARISH SHERIFF
LaPlace, Louisiana

Schedule of Prior and Current Findings
and Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2012

Management's Corrective Action Plan:

Sheriff Michael Tregre has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

12-2 Noncompliance with Public Bid Law

Finding:

There were several (7) instances of noncompliance with the public bid law. Quotes should have been obtained for six purchases totaling approximately \$108,000 and bids should have been obtained for one purchase totaling approximately \$46,000.

Management's Correction Action Plan:

The St. John the Baptist Parish Sheriff's Office personnel were unaware of changes in the bid law that affected the purchase of vehicles used in law enforcement, as well as sole source suppliers. The Sheriff's Office is now aware of the changes in the bid law and will make sure that future purchases comply fully with the public bid law requirements. Mr. Jeffrey Clement, Chief Civil Deputy, is in charge of implementing this plan.

Management Letter Items:

There are no management letter items at June 30, 2012.